

SO ORDERED.

SIGNED this 22 day of June, 2023.



Joseph N. Callaway
Joseph N. Callaway
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
GREENVILLE DIVISION**

In re:)	
)	
CAH ACQUISITION COMPANY #1, LLC,	)	Case No. 19-00730-5-JNC
d/b/a WASHINGTON COUNTY HOSPITAL,	)	Chapter 11
)	
Debtor.)	
)	
In re:)	
)	
CAH ACQUISITION COMPANY #2, LLC,	)	Case No. 19-01230-5-JNC
d/b/a OSWEGO COMMUNITY HOSPITAL,	)	Chapter 11
)	
Debtor.)	
)	
In re:)	
)	
CAH ACQUISITION COMPANY #3, LLC,	)	Case No. 19-01180-5-JNC
d/b/a HORTON COMMUNITY HOSPITAL,	)	Chapter 11
)	
Debtor.)	
)	
In re:)	
)	
CAH ACQUISITION COMPANY 6, LLC,	)	Case No. 19-01300-5-JNC
d/b/a I-70 COMMUNITY HOSPITAL,	)	Chapter 7
)	
Debtor.)	

In re:)	
CAH ACQUISITION COMPANY 7, LLC,)	Case No. 19-01298-5-JNC
d/b/a PRAGUE COMMUNITY HOSPITAL,)	Chapter 11
)	
Debtor.)	
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In re:)	
CAH ACQUISITION COMPANY 12, LLC,)	Case No. 19-01697-5-JNC
d/b/a FAIRFAX COMMUNITY HOSPITAL,)	Chapter 11
)	
Debtor.)	
<hr/>)	
In re:)	
CAH ACQUISITION COMPANY 16, LLC,	)	Case No. 19-01227-5-JNC
d/b/a HASKELL COUNTY COMMUNITY	)	Chapter 11
HOSPITAL,)	
)	
Debtor.)	

**ORDER GRANTING, IN PART, MOTION FOR ORDER AUTHORIZING AND
APPROVING (I) LITIGATION FUNDING AGREEMENT WITH OMNI BRIDGEWAY
(FUND 4) INVT. 3 L.P.; (II) ENGAGEMENT AGREEMENT WITH MCDONALD
HOPKINS LLP RELATED TO LITIGATION FUNDING; AND (III) ENGAGEMENT
AGREEMENTS WITH WALDREP WALL BABCOCK & BAILEY PLLC AND
MCDONALD HOPKINS LLP RELATED TO LITIGATION EFFECTIVE FROM AND
AFTER APRIL 15, 2023**

THIS MATTER coming before the Court on the Motion for Order Authorizing and Approving (I) Litigation Funding Agreement with Omni Bridgeway (Fund 4) Invt. 3 L.P.; (II) Engagement Agreement with McDonald Hopkins LLP Related to Litigation Funding; and (III) Engagement Agreements with Waldrep Wall Babcock & Bailey PLLC and McDonald Hopkins LLP Related to Litigation Effective from and after April 15, 2023 (the “Motion”)¹ filed by Thomas W. Waldrep, Jr. (the “Trustee” or “Litigation Trustee”) on May 23, 2023 seeking the entry of an order (“Order”), pursuant to 11 U.S.C. §§ 105, 364, and 1142, and Rule 3020(d) of the Federal Rules of Bankruptcy Procedure, for entry of an Order (i) approving the Litigation Funding

¹ Capitalized terms not otherwise defined herein shall have the same definition as set forth in the Motion.

Agreement attached to the Motion as Exhibit A (the “Funding Agreement”); (ii) authorizing the Litigation Trusts,² the Chapter 7 bankruptcy estate of CAH Acquisition Company #6, LLC, and the Trustee to take all actions necessary or appropriate to effectuate the Funding Agreement; (iii) approving the engagement agreement (the “Litigation Funding Engagement Agreement”) for fees and expenses incurred by McDonald Hopkins LLP (“McDonald Hopkins”) related to the marketing, documentation, negotiation, and approval of one or more litigation finance arrangements (the “Litigation Funding Matter”); (iv) approving the engagement agreements for fees and expenses incurred by Waldrep Wall Babcock & Bailey PLLC (“WWBB”) and McDonald Hopkins in the Litigation, effective as of April 15, 2023 (the “April 15, 2023 Litigation Engagement Agreements”). On June 13, 2023, the Bankruptcy Administrator filed a Response to the Funding Motion (“BA Response”). Following proper notice to all affected parties, this Court conducted a hearing on June 20, 2023 (“Hearing”). Based on the pleadings and record in this case, the arguments, evidence and proffers presented at the Hearing, and good cause having been shown,

IT IS HEREBY ORDERED THAT:

1. The Motion should be, and hereby is, GRANTED IN PART.
2. The Funding Agreement and the transactions contemplated thereby are hereby approved.
3. The Litigation Trusts, the Chapter 7 bankruptcy estate of CAH Acquisition Company 6, LLC, and the Trustee are hereby authorized to take all actions necessary or appropriate to effectuate the Funding Agreement and the transactions contemplated thereby.

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

3. This Court will enter a separate order regarding the Litigation Funding Engagement Agreement and the fees and expenses incurred by McDonald Hopkins related to the Litigation Funding Matter.

4. The April 15, 2023 Litigation Engagement Agreements are hereby approved; provided, however, that any compensation sought by WWBB or McDonald Hopkins relating to the Deferred Fees (as defined in the April 15, 2023 Litigation Engagement Agreements), or otherwise, which is in excess of normal and customary hourly rates are subject to the subsequent express approval of this Court. Subject to the provisions of this paragraph, the Trustee is hereby authorized to compensate WWBB and McDonald Hopkins pursuant to the terms of the April 15, 2023 Litigation Engagement Agreements.

5. Payment of the fees and expenses approved by this Order shall be made by the Trustee from the proceeds of the Litigation or funds provided under the Funding Agreement pursuant to its terms. No payment of such fees or expenses shall be made from any other assets of the Debtor's bankruptcy estates, including specifically from any cost report money, without the consent of Cohesive Healthcare Management & Consulting LLC ("Cohesive") or further order of this Court.

6. The Trustee shall continue to provide regular updates and information regarding the Litigation to Cohesive and the Bankruptcy Administrator.

7. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

END OF DOCUMENT